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ABSTRACT

This information brief contains the objectives of the National Commission on the Financing of Postsecondary Education. These objectives include: a description of the present conditions that are relevant to the role of postsecondary education in our society; a summary of the purposes, scope and dimensions of postsecondary education, a synthesis of objectives for postsecondary education recommended by the Commission; a description of and a rationale for the selection of the measures used to evaluate the accomplishment of the objectives; and analysis that describes the kind and amount of financial support for postsecondary education for all sources; a program analysis of existing funding programs; a projective analysis estimating the extent to which each of severalalternative funding programs would achieve the objectives for postsecondary education agreed upon by the Commission; recommendations for national uniform procedures for calculating instructional costs per student; and assessment of the nature and causes of serious financial distress facing postsecondary institutions and recommendations for improvement; and the final reports of findings and recommendations. Members of the commission, committees of the Commission and commission offices and staff members are listed. (Author/MJM)

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NATIONAL COMMISSION on the FINANCING of POSTSECONDARY EDUCATION

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An Informational Brief

April, 1973

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April 14, 1973

The National Commission on the Financing of Postsecondary Education was appointed by the President and the Congress in late September of 1972 in accordance with the Education Amendments of 1972. The Commission began meeting soon after it was established to consider the extent of its proposed work and to determine the procedures and staffing needed to accomplish the complex study. The Commission has met six times since September. By February 1973, a staff had been drawn together to work with the Commissioners to conduct and publish the study by December 31, 1973.

To facilitate the work that must be accomplished before the Commission can make recommendations to the President and Congress, committees and subcommittees made up of Commission members, working with the professional staff, are meeting almost weekly to accomplish the tasks involved in the comprehensive study described on the following pages. The Commission's monthly meetings are the occasion for review and evaluation of committee work and reports from the research staff. Although there is a heavy pressure of time, the Commission is placing strong emphasis on the thoroughness and quality of work done by the committees and research staff of the Commission.

The Commission attempts both to inform the public of what it is doing and to encourage response by opening its meetings to interested visitors, by maintaining appropriate communication with the postsecondary community, and by soliciting opinions from interested parties. The Commission is making every effort to meet its December deadline and to provide federal, state, and local policy makers with information about and Commission recommendations for the future funding of postsecondary education.

Donald E. Leonard
Chairman

SUMMARY

In response to the charge contained in the establishing legislation given on pages 3-5 in the description that follows, the National Commission on the Financing of Postsecondary Education will prepare:

I. A description of the present conditions that are relevant to the role of postsecondary education in our society.

II. A summary of the purposes, scope, and dimensions of postsecondary education.

III. A synthesis of objectives for postsecondary education recommended by the Commission.

IV. A description of and a rationale for the selection of the measures used to evaluate the accomplishment of the objectives.

V. An analysis that describes the kind and amount of financial support for postsecondary education from all sources.

VI. A program analysis of existing funding programs.

VII. A projective analysis estimating the extent to which each of several alternative funding programs would achieve the objectives for postsecondary education agreed upon by the Commission.

VIII. Recommendations for national uniform procedures for calculating instructional costs per student.

IX. An assessment of the nature and causes of serious financial distress facing postsecondary institutions and recommendations for improvement.

X. The final reports of findings and recommendations.

NATIONAL COMMISSION on the FINANCING of POSTSECONDARY EDUCATION

The National Commission on the Financing of Postsecondary Education was established by Public Law 92-318 (Section 140) and appointed by Congress and the President to undertake studies of:

The impact of past, present, and anticipated private, local, state, and federal support for postsecondary education.

The appropriate role of the states in support of higher education (including the application of state law upon postsecondary educational opportunities).

Alternative student assistance programs.

The potential federal, state, and private participation in such programs.

The establishing legislation does not leave entirely to the Commission the task of delineating details of the study, but goes on to indicate several specifics that shall be included and shall be considered:

1. The study shall determine the need, the desirability, the form, and the level of additonal governmental and private assistance to postsecondary education.
2. It shall include at least:
   a. An analysis of the existing programs of aid to institutions of higher education.
   b. An analysis of various alternative proposals presented to the Congress to provide assistance to institutions of higher education.
   c. An analysis of other viable alternatives of assistance to institutions of higher education.

3. The analyses under No. 2 shall include:
   a. The costs of existing programs and alternative programs.
   b. The advantages and disadvantages of each.
   c. The extent to which each proposal would preserve the diversity and independence of such institutions.
   d. The extent to which each would advance the national goal of making postsecondary education accessible to all individuals, including returning veterans, having the desire and ability to continue their education.
4. In conducting the study, the Commission shall consider:
   a. The nature and causes of serious financial distress facing institutions of postsecondary education; and
   b. alternative models for the long-range solutions to the problems of financing postsecondary education with special attention to the potential federal, state, local, and private participation in such programs, including, at least:
      (1) The assessment of previous related private and governmental studies and their recommendations;
      (2) existing state and local programs of aid to postsecondary institutions;
      (3) the level of endowment, private sector support, and other incomes of postsecondary institutions and the feasibility of federal and state income tax credits for charitable contributions to postsecondary institutions;
      (4) the level of federal support of postsecondary institutions through such programs as research grants and other general and categorical programs;
      (5) alternative forms of student assistance, including, at least, loan programs based on income-contingent lending, loan programs which utilize fixed, graduated repayment schedules, loan programs which provide for cancellation or deferment of all or part of repayment in any given year based on a certain level of a borrower's income; and existing student assistance programs, including those administered by the Office of Education, the Social Security Administration, the Public Health Service, the National Science Foundation, and the Veterans Administration; and
      (6) suggested national uniform standards for determining the annual per-student costs of providing postsecondary education for students in attendance at various types and classes of institutions of higher education.

The legislation requires that "No later than April 30, 1973, [to be amended to December 31, 1973] the Commission shall make a final report to the President and Congress on the results of the investigation and study." The report will include:

1. Findings and recommendations as the Commission deems appropriate, including recommendations for legislation.
2. Suggested national uniform standard procedures for determining the annual per-student costs of providing postsecondary education for students in attendance at various types and classes of institutions for higher education.

Within 60 days from the submission of the final report,

> "... the Commissioner [of Education] shall make a report to the Congress commenting on the Commission's suggested national uniform standards, and incorporating his recommendations with respect to national uniform standards together with any related recommendations for legislation."

To accomplish its task, the Commission has available $1.5 million in federal appropriations.

In response to the charge contained in the establishing legislation, the Commission will prepare:

1. A description of the present conditions that are relevant to the role of postsecondary education in our society. This description will include:
   - A. Demographic patterns of the population in general: Who seeks a postsecondary education?
   - B. Demand patterns of current and potential participants: What kinds of postsecondary education programs do they want?
   - C. Mobility patterns of participants within and among particular postsecondary institutions: What institutions or programs of postsecondary education do they attend and how long do they stay?
   - D. Broad social and economic attitudes with regard to:
     1. The present patterns for responsibility of paying for postsecondary education among:
        - a. student participants
        - b. parents
        - c. taxpayers
        - d. donors
        - e. the general public

2. The shifting patterns of employment, including, but not limited to:
    a. early retirement
    b. the shorter work week
    c. increased leisure time
    d. increasing female employment
    e. status of employment of ethnic minorities

II. A summary of the purposes, scope, and dimensions of postsecondary education that will include alternative categories of institutions, students, and funding programs. In addition, the Commission will summarize and analyze statements of objectives for postsecondary education derived from many sources.

III. A synthesis of objectives for postsecondary education recommended by the Commission. The Commission is currently considering statements of objectives in the following areas:

A. student access and choice
B. institution and program diversity
C. educational and financial accountability
D. institutional autonomy and social responsibility
E. educational benefits to the individual and to society
F. plurality of support for postsecondary education.

IV. A description of and a rationale for the selection of the measures used to evaluate the extent to which existing programs and alternative funding programs and proposals contribute to the accomplishment of the objectives agreed upon for postsecondary education and the extent to which they respond to real changes in our society as identified in item I.

V. An analysis that describes the kind and amount of financial support for postsecondary education from the following sources:

A. federal
B. state
C. local
D. private
E. student participant and/or parents

In assembling data for this descriptive analysis, the Commission will not initiate major new data collection efforts, but, rather, will draw heavily on existing sources such as federal and state agencies, research centers, institutions of postsecondary education, and foundations.

VI. A program analysis of existing funding programs, including a review of previous funding proposals and related literature; a listing of all federally enacted programs and the major programs enacted at the state and local levels; the collection of appropriate data; and the display of comparative information of the effectiveness of programs where available.

This analysis will utilize the measures developed above as the basis for determining the degree to which the objectives stated in item III. are accomplished.

VII. A projective analysis estimating the extent to which each of several alternative funding programs would achieve the objectives for postsecondary education agreed upon by the Commission. This analysis will consider those funding programs described in the charge to the Commission and alternative patterns of financing postsecondary education among levels of government, students, the families of students, and private sources.

VIII. Recommendations for national uniform procedures for calculating instructional costs per student, including:

A. The procedures recommended by the Commission.

B. A general discussion of costing problems and methods for calculating costs.

C. A rationale for the Commission's recommendations.

D. A statement of cautions to be applied to the implementation of the recommended procedures.

E. An analysis of anticipated costs to the institution of implementing such procedures in terms of dollars, additional man effort, staff and faculty morale, program adjustments, detrimental publicity, and numerous other factors.

F. A statement concerning the manner in which cost information should be used, displayed, and released, together with examples of misuse of such cost information.

G. Examples of cost information generated by the use of recommended procedures from several types of institutions. The examples will include descriptive information to be associated with the cost information.

IX. An assessment of the nature and causes of serious financial distress facing postsecondary institutions and recommendations of the combination of managerial improvements, instructional reforms, and additional governmental and private assistance to postsecondary education needed to ameliorate such conditions. The criteria used to measure financial distress and the conditions which have created such distress will be developed in the study.

The Commission plans to report its findings and recommendations in the following forms:

1. One or more short, concise, executive-level documents which can serve as a focus of policy discussion in the coming year to include:
   a. The basic assumptions underlying the Commission's study.
   b. A brief array of information that will be of practical use to state- and national-level policy makers in making judgments about the financial condition of postsecondary education and the likely impacts on national objectives of implementing the financing and structural recommendations of the Commission.
   c. Recommendations concerning suggested national uniform standard procedures for determining the annual per-student costs of providing postsecondary education for students in attendance at various types and classes of institutions of higher education.
   d. Recommendations concerning suggested funding to accomplish objectives relative to:
      (1) individual access
      (2) institutional choice
      (3) program diversity
      (4) instructional and fiscal accountability
      (5) assignment of institutional responsibility for postsecondary education
   e. Other findings and recommendations as the Commission deems appropriate.
2. A more comprehensive publication designed for the interested lay person seeking to understand in greater depth the rationale behind the executive-level report, including alternative recommendations considered and rejected.
3. One or more volumes of staff papers and technical reports that buttress the final executive-level report.
4. A brief report identifying those areas of postsecondary education that, in the judgment of the Commission, require additional investigation if the nation is to be able to improve its understanding and provision of postsecondary education services.

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COMMITTEES of the COMMISSION

The following committees have been appointed by the Commission:

Committee on the Conditions, Definitions, and Expectations of Postsecondary Education

This committee is responsible for developing initial descriptions of present and anticipated social conditions relevant to postsecondary education, objectives concerning postsecondary education, and measures for evaluating the impact of funding programs on hose objectives.

Marian W. La Follette, Chairman
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John Dellenback
Tim R. Engen
Walter C. Mercer
John W. Porter
Louis P. Rodriquez
Sister Jane Scully

Committee on the Analysis of the Adequacy and Impact of Funding in Postsecondary Education

This committee is responsible for the initial development of the analytical projects of the Commission, including the development of uniform procedures for determining comparable costs and the criteria for the analysis of financial distress in institutions.

George Kaludis, Chairman
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